

Adopted

Rejected

## COMMITTEE REPORT

YES: 20

NO: 0

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 578, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 16, line 13, delete "such" and insert "**the action**".
- 2 Page 24, line 24, strike "the".
- 3 Page 25, between lines 16 and 17, begin a new paragraph and insert:
- 4 "SECTION 42. IC 4-4-28-11 IS AMENDED TO READ AS
- 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Each
- 6 community development corporation shall annually provide the
- 7 ~~department of commerce~~ **Indiana housing finance authority** with
- 8 information needed to determine:
- 9 (1) the number of accounts administered by the community
- 10 development corporation;
- 11 (2) the length of time each account under subdivision (1) has been
- 12 established; and
- 13 (3) the amount of money an individual has deposited into each
- 14 account under subdivision (1) during the preceding twelve (12)
- 15 months.

(b) The ~~department of commerce~~ **Indiana housing finance authority** shall use the information provided under subsection (a) to deposit the correct amount of money into each account as provided in section 12 of this chapter.

SECTION 43. IC 4-4-28-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) The ~~department of commerce~~ **Indiana housing finance authority** shall allocate, for each account that has been established after June 30, 2001, for not more than four (4) years, including any time in which an individual held an individual development account under this chapter before July 1, 2001, three dollars (\$3) for each one dollar (\$1) an individual deposited into the individual's account during the preceding twelve (12) months. However, the ~~department's authority's~~ allocation under this subsection may not exceed nine hundred dollars (\$900) for each account described in this subsection.

(b) Not later than June 30 of each year, the ~~department of commerce~~ **Indiana housing finance authority** shall deposit into each account established under this chapter the appropriate amount of money determined under this section. However, if the individual deposits the maximum amount allowed under this chapter on or before December 31 of each year, the individual may request in writing that the ~~department of commerce authority~~ allocate and deposit the matched funds under subsection (a) into the individual's account not later than forty-five (45) days after the ~~department of commerce authority~~ receives the written request.

(c) Money from a federal block grant program under Title IV-A of the federal Social Security Act may be used by the state to provide money under this section for deposit into an account held by an individual who receives assistance under IC 12-14-2.

SECTION 44. IC 4-4-28-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) An individual must request and receive authorization from the community development corporation that administers the individual's account before withdrawing money from the account for any purpose.

(b) An individual who is denied authorization to withdraw money under subsection (a) may appeal the community development corporation's decision to the ~~department of commerce~~ **Indiana housing finance authority** under rules adopted by the ~~department of commerce~~

1 **authority** under IC 4-22-2.

2 SECTION 45. IC 4-4-28-18 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) Each  
4 community development corporation shall annually:

5 (1) evaluate the individual development accounts administered by  
6 the community development corporation; and

7 (2) submit a report containing the evaluation information to the  
8 ~~department of commerce:~~ **Indiana housing finance authority.**

9 (b) Two (2) or more community development corporations may  
10 work together in carrying out the purposes of this chapter.

11 SECTION 46. IC 4-4-28-21 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. The ~~department of~~  
13 ~~commerce~~ **Indiana housing finance authority** may adopt rules under  
14 IC 4-22-2 to implement this chapter.

15 SECTION 47. IC 4-6-12-8 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The unit shall  
17 cooperate with the ~~department of commerce~~ **Indiana housing**  
18 **authority** in the development and implementation of the home  
19 ownership education programs established under ~~IC 4-4-3-8(b)(15):~~  
20 **IC 5-20-1-4(g).**"

21 Page 27, between lines 39 and 40, begin a new paragraph and insert:  
22 "SECTION 53. IC 4-13.5-1-3 IS AMENDED TO READ AS  
23 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The commission  
24 may:

25 ~~(1) adopt and alter an official seal;~~

26 ~~(2) adopt, amend, and repeal bylaws for the regulation of its~~  
27 ~~affairs and the conduct of its business and prescribe rules and~~  
28 ~~policies in connection with the performance of its functions and~~  
29 ~~duties;~~

30 ~~(3)~~ **(1)** accept gifts, devises, bequests, grants, loans,  
31 appropriations, revenue sharing, other financing and assistance,  
32 and any other aid from any source and agree to and comply with  
33 any attached conditions;

34 ~~(4)~~ **(2)** acquire real property, or any interest in real property, by  
35 lease, conveyance (including purchase) in lieu of foreclosure, or  
36 foreclosure, own, manage, operate, hold, clear, improve, and  
37 construct facilities on real property, and sell, assign, exchange,  
38 transfer, convey, lease, mortgage, or otherwise dispose of or

1 encumber real property, or interests in real property or facilities on  
 2 real property, if the use is necessary or appropriate to the purposes  
 3 of the commission;  
 4 ~~(5)~~ **(3)** procure insurance against any loss in connection with its  
 5 operations in amounts, and from insurers, as it considers necessary  
 6 or desirable;  
 7 ~~(6)~~ **(4)** borrow funds as set forth in IC 4-13.5-4 and issue revenue  
 8 bonds of the commission, payable solely from revenues, as set  
 9 forth in IC 4-13.5-4, or from the proceeds of bonds issued under  
 10 this article and earnings on bonds, or both, for the purpose of  
 11 carrying out its purposes under this article, including paying all or  
 12 any part of the cost of acquisition or construction of any one (1)  
 13 or more facilities, or for the purpose of refunding any other bonds  
 14 or loan contracts of the commission;  
 15 ~~(7)~~ **(5)** establish reserves or sinking funds from the proceeds of the  
 16 sale of bonds or from other funds, or both, to secure the payment  
 17 of the bonds;  
 18 ~~(8)~~ **(6)** invest any funds held in reserve or in sinking fund accounts  
 19 or any money not required for immediate disbursement, in  
 20 obligations of the state, the United States, or their agencies or  
 21 instrumentalities, and other obligors as may be permitted under  
 22 the terms of any resolution authorizing the issuance of the  
 23 commission's bonds or other obligations;  
 24 ~~(9)~~ **(7)** include in any borrowing or issue amounts considered  
 25 necessary by the commission to pay financing charges, interest on  
 26 the obligations (for a period not exceeding the period of  
 27 construction and a reasonable time after the period of construction  
 28 or, if the facility is completed, two (2) years from the date of issue  
 29 of the obligations), consultant, advisory, and legal fees, and other  
 30 expenses necessary or incident to the borrowing or issue;  
 31 ~~(10)~~ **(8)** employ fiscal consultants, engineers, bond counsel, other  
 32 special counsel (with the approval of the attorney general), real  
 33 estate counselors, appraisers, architectural historians, and other  
 34 consultants, employees, and agents as required in the judgment of  
 35 the commission; and fix and pay their compensation from funds  
 36 available to the commission for the payment of compensation;  
 37 ~~(11)~~ **(9)** make, execute, and effectuate contracts, agreements, or  
 38 other documents with any governmental agency or any person,

corporation, limited liability company, association, partnership, or other organization or entity necessary or convenient to accomplish the purposes of this article;

~~(+2)~~ (9) acquire in the name of the commission by the exercise of the right of condemnation, in the manner provided in this section, public or private lands, or rights in lands, rights-of-way, property, rights, easements, and interests, as it considers necessary for carrying out this article; and

~~(+3)~~ (10) do any and all acts and things necessary, proper, or convenient to carry out this article.

(b) The commission may provide for facilities for state agencies or branches of state government if the general assembly, by statute:

(1) finds that the state needs renovation, refurbishing, or alteration of existing facilities or construction of additional facilities; and

(2) authorizes the commission to provide for the facilities.

In providing for the facilities, the commission shall proceed under this article.

(c) If the commission is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, it may proceed to procure the condemnation of the property under IC 32-24-1. The commission may not institute a proceeding until it has adopted a resolution that:

(1) describes the real property sought to be acquired and the purpose for which the real property is to be used;

(2) declares that the public interest and necessity require the acquisition by the commission of the property involved; **and**

(3) sets out any other facts that the commission considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition and shall be referred to the attorney general for action, in the name of the commission, in the circuit or superior court of the county in which the real property is located.

(d) The title to all property acquired in any manner by the commission shall be held in the name of the commission."

Page 44, line 4, strike "by rule or policy".

Page 44, between lines 15 and 16, begin a new paragraph and insert:

"SECTION 71. IC 5-1.5-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) There is

1 established a board of directors to govern the bank. The powers of the  
2 bank are vested in this board.

3 (b) The board is composed of:

- 4 (1) the treasurer of state, who shall be the chairman ex officio;
- 5 (2) the ~~director of the department of financial institutions,~~ **public**  
6 **finance director appointed under IC 4-4-11-9, who shall be the**  
7 director ex officio; and
- 8 (3) five (5) directors appointed by the governor.

9 (c) Each of the five (5) directors appointed by the governor:

- 10 (1) must be a resident of Indiana;
- 11 (2) must have substantial expertise in the buying, selling, and  
12 trading of municipal securities, in municipal administration or in  
13 public facilities management;
- 14 (3) serves for a term of three (3) years and until his successor is  
15 appointed and qualified;
- 16 (4) is eligible for reappointment;
- 17 (5) is entitled to receive the same minimum salary per diem as is  
18 provided in IC 4-10-11-2.1(b) while performing his duties. Such  
19 a director is also entitled to the same reimbursement for traveling  
20 expenses and other expenses, actually incurred in connection with  
21 his duties as is provided in the state travel policies and procedures,  
22 established by the department of administration and approved by  
23 the state budget agency; and
- 24 (6) may be removed by the governor for cause.

25 (d) Any vacancy on the board, other than by expiration of term, shall  
26 be filled by appointment of the governor for the unexpired term only."

27 Page 46, line 11, delete "forty-five (45)" and insert "**twenty-one**  
28 **(21)**".

29 Page 46, line 15, delete "forty-five (45)" and insert "**twenty-one**  
30 **(21)**".

31 Page 47, line 6, delete "forty-five (45)" and insert "**twenty-one**  
32 **(21)**".

33 Page 47, line 10, delete "forty-five (45)" and insert "**twenty-one**  
34 **(21)**".

35 Page 64, between lines 20 and 21, begin a new paragraph and insert:  
36 **"(g) Beginning July 1, 2005, the authority shall identify,**  
37 **promote, assist, and fund home ownership education programs**  
38 **conducted throughout Indiana by nonprofit counseling agencies**

certified by the authority using funds appropriated under section 27 of this chapter. The attorney general and the entities listed in IC 4-6-12-4(a)(1) through IC 4-6-12-4(a)(10) shall cooperate with the authority in implementing this subsection."

Page 66, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 87. IC 5-20-1-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 27. (a) The home ownership education account within the state general fund is established to support the home ownership education programs established under section 4(g) of this chapter. The account is administered by the authority.**

**(b) The home ownership education account consists of fees collected under IC 24-9-9.**

**(c) The expenses of administering the home ownership education account shall be paid from money in the fund.**

**(d) The treasurer of state shall invest the money in the home ownership education account not currently needed to meet the obligations of the account in the same manner as other public money may be invested."**

Page 66, between lines 39 and 40, begin a new paragraph and insert:

"SECTION 91. IC 6-3.1-9-1, AS AMENDED BY P.L.4-2005, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1. As used in this chapter:**

**"Business firm"** means any business entity authorized to do business in the state of Indiana that has state tax liability.

**"Community services"** means any type of counseling and advice, emergency assistance, medical care, recreational facilities, housing facilities, or economic development assistance to individuals, groups, or neighborhood organizations in an economically disadvantaged area.

**"Crime prevention"** means any activity which aids in the reduction of crime in an economically disadvantaged area.

**"Economically disadvantaged area"** means an enterprise zone, or any area in Indiana that is certified as an economically disadvantaged area by the Indiana ~~economic development corporation~~ **housing finance authority** after consultation with the community services agency. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the

1 median per capita income of the area in relation to the median per  
 2 capita income of the state or standard metropolitan statistical area in  
 3 which the area is located.

4 "Education" means any type of scholastic instruction or scholarship  
 5 assistance to an individual who resides in an economically  
 6 disadvantaged area that enables the individual to prepare for better life  
 7 opportunities.

8 "Enterprise zone" means an enterprise zone created under  
 9 IC 5-28-15.

10 "Job training" means any type of instruction to an individual who  
 11 resides in an economically disadvantaged area that enables the  
 12 individual to acquire vocational skills so that the individual can become  
 13 employable or be able to seek a higher grade of employment.

14 "Neighborhood assistance" means either:

15 (1) furnishing financial assistance, labor, material, and technical  
 16 advice to aid in the physical or economic improvement of any part  
 17 or all of an economically disadvantaged area; or

18 (2) furnishing technical advice to promote higher employment in  
 19 any neighborhood in Indiana.

20 "Neighborhood organization" means any organization, including but  
 21 not limited to a nonprofit development corporation:

22 (1) performing community services in an economically  
 23 disadvantaged area; and

24 (2) holding a ruling:

25 (A) from the Internal Revenue Service of the United States  
 26 Department of the Treasury that the organization is exempt  
 27 from income taxation under the provisions of the Internal  
 28 Revenue Code; and

29 (B) from the department of state revenue that the organization  
 30 is exempt from income taxation under IC 6-2.5-5-21.

31 "Person" means any individual subject to Indiana gross or adjusted  
 32 gross income tax.

33 "State fiscal year" means a twelve (12) month period beginning on  
 34 July 1 and ending on June 30.

35 "State tax liability" means the taxpayer's total tax liability that is  
 36 incurred under:

37 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and

38 (2) IC 6-5.5 (the financial institutions tax);



as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

"Tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 92. IC 6-3.1-9-2, AS AMENDED BY P.L.4-2005, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization or who engages in the activities of providing neighborhood assistance, job training or education for individuals not employed by the business firm or person, or for community services or crime prevention in an economically disadvantaged area shall receive a tax credit as provided in section 3 of this chapter if the ~~board of the Indiana economic development corporation~~ **housing finance authority** approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The ~~board of the Indiana economic development corporation~~ **housing finance authority**, after consultation with the community services agency and the commissioner of revenue, may adopt rules for the approval or disapproval of these proposals.

SECTION 93. IC 6-3.1-9-4, AS AMENDED BY P.L.4-2005, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Any business firm or person which desires to claim a tax credit as provided in this chapter shall file with the department, in the form that the department may prescribe, an application stating the amount of the contribution or investment which it proposes to make which would qualify for a tax credit, and the amount sought to be claimed as a credit. The application shall include a certificate evidencing approval of the contribution or program by the ~~board of the Indiana economic development corporation~~ **housing finance authority**.

(b) The ~~board of the Indiana economic development corporation~~ **housing finance authority** shall give priority in issuing certificates to applicants whose contributions or programs directly benefit enterprise zones.

(c) The department shall promptly notify an applicant whether, or the extent to which, the tax credit is allowable in the state fiscal year in

1 which the application is filed, as provided in section 5 of this chapter.  
 2 If the credit is allowable in that state fiscal year, the applicant shall  
 3 within thirty (30) days after receipt of the notice file with the  
 4 department of state revenue a statement, in the form and accompanied  
 5 by the proof of payment as the department may prescribe, setting forth  
 6 that the amount to be claimed as a credit under this chapter has been  
 7 paid to an organization for an approved program or purpose, or  
 8 permanently set aside in a special account to be used solely for an  
 9 approved program or purpose.

10 (d) The department may disallow any credit claimed under this  
 11 chapter for which the statement or proof of payment is not filed within  
 12 the thirty (30) day period."

13 Page 72, line 23, after "operation" insert ",".

14 Page 72, line 34, after "1965" insert ",".

15 Page 72, line 36, after "1977" insert ",".

16 Page 72, line 37, after "1979" insert ",".

17 Page 73, line 31, after "thousand" delete ",".

18 Page 73, line 39, strike "his" and insert "**the member's**".

19 Page 73, line 40, strike "his" and insert "**the member's**".

20 Page 75, line 16, after "books" insert ",".

21 Page 90, line 24, after "assistance" insert ",".

22 Page 117, line 20, after "Evaluate" insert "**or cause to be**  
 23 **evaluated**".

24 Page 119, line 26, delete "or".

25 Page 126, between lines 4 and 5, begin a new paragraph and insert:  
 26 "SECTION 183. IC 14-14-1-18 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. The commission  
 28 may do the following:

29 (1) ~~Adopt bylaws for the regulation of the commission's affairs~~  
 30 ~~and the conduct of the commission's business.~~

31 (2) ~~Adopt an official seal that may not be the seal of the state.~~

32 (3) ~~Maintain a principal office at the place within Indiana the~~  
 33 ~~commission designates.~~

34 (4) ~~Sue and be sued and plead and be impleaded in the~~  
 35 ~~commission's own name. All process shall be served on the~~  
 36 ~~commission by delivering a copy:~~

37 (A) ~~to the principal office of the commission with the person~~  
 38 ~~in charge or with the secretary of the commission; and~~

1           ~~(B)~~ to the office of the attorney general.

2           ~~(5)~~ **(1)** Make and enter into all contracts, undertakings, and

3           agreements necessary or incidental to the performance of the

4           commission's duties and the execution of the commission's powers

5           under this chapter. If the cost of a contract for construction or for

6           the purchase of equipment, materials, or supplies involves an

7           expenditure of more than twenty thousand dollars (\$20,000), the

8           commission shall make a written contract with the lowest and best

9           bidder after advertisement for not less than two (2) consecutive

10          weeks in a newspaper of general circulation in Marion County,

11          Indiana, and in other publications if the commission determines.

12          The notice must state the general character of the work and the

13          general character of the materials to be furnished, the place where

14          the plans and specifications may be examined, and the time and

15          place of receiving bids. Each bid must contain the full name of

16          every person or company interested in the bid and must be

17          accompanied by a sufficient bond or certified check on a solvent

18          bank that if the bid is accepted a contract will be entered into and

19          the performance of the bidder's proposal secured. The commission

20          may reject any and all bids. A bond with good and sufficient

21          surety approved by the commission is required of all contractors

22          in an amount equal to at least fifty percent (50%) of the contract

23          price conditioned upon the faithful performance of the contract.

24          ~~(6)~~ **(2)** Employ employees, fix their compensation, and define

25          their duties.

26          ~~(7)~~ **(3)** Contract for the following:

27                (A) Services, including services of engineers, architects,

28                accountants, attorneys, financial advisers, project or

29                construction managers, consultants, and experts as well as

30                other contract services.

31                (B) Construction.

32                (C) Materials.

33                (D) Supplies.

34          ~~(8)~~ **(4)** Conduct studies of the financial feasibility of proposed

35          park projects.

36          ~~(9)~~ **(5)** Use the services of professional and other personnel

37          employed by a department or an agency of the state for purposes

38          of studying the feasibility of or designing, constructing, or

- 1 maintaining a park project.
- 2 ~~(10)~~ **(6)** Receive and accept:
- 3 (A) from a federal agency grants for or in aid of the
- 4 acquisition, construction, improvement, or development of a
- 5 park project; and
- 6 (B) aid or contributions from any source of money, property,
- 7 labor, or other things of value;
- 8 to be held, used, and applied only for the purposes, consistent with
- 9 the purposes of this chapter, for which the grants and
- 10 contributions may be made.
- 11 ~~(11)~~ **(7)** Provide coverage for the commission's employees under
- 12 IC 27-7-2 and IC 22-4.
- 13 ~~(12)~~ **(8)** Do all acts and things necessary or proper to carry out the
- 14 powers expressly granted in this chapter.
- 15 ~~(13)~~ **(9)** Hold, use, administer, and expend the money
- 16 appropriated or transferred to the commission, administer a
- 17 general operating fund, the revolving fund created by this chapter,
- 18 create and administer any other fund considered desirable, and
- 19 enter into a covenant or pledge with respect to a fund created.
- 20 ~~(14)~~ **(10)** Accept advances or grants from a state agency or fund
- 21 authorized to make advances or grants and, for advances, enter
- 22 into agreements concerning the repayment of the advance and
- 23 repay the advances."
- 24 Page 130, line 8, delete "." and insert ";".
- 25 Page 131, between lines 38 and 39, begin a new paragraph and
- 26 insert:
- 27 "SECTION 197. IC 20-12-63-11 IS AMENDED TO READ AS
- 28 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. The authority shall
- 29 have the **following** functions and powers: ~~set forth in this section:~~
- 30 ~~(1) The authority may adopt rules and bylaws for the regulation~~
- 31 ~~of the authority's business.~~
- 32 ~~(2) The authority may adopt an official seal and alter the official~~
- 33 ~~seal.~~
- 34 ~~(3) The authority may maintain an office at a place or places~~
- 35 ~~designated by the authority.~~
- 36 ~~(4) The authority may sue and be sued, plead and be impleaded in~~
- 37 ~~the authority's own name.~~
- 38 ~~(5)~~ **(1)** The authority may determine the location and character of

any project to be financed under this chapter. The authority may construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease as lessee or lessor, regulate any project, or enter into contracts for any purpose stated in this subdivision. The authority may designate a private institution of higher education as the authority's agent to carry out the authority of this subsection.

~~(6)~~ **(2)** The authority may issue bonds or fund and refund bonds as provided in this chapter.

~~(7)~~ **(3)** The authority may require that the rates, rents, fees, or charges established by a private institution of higher education are sufficient to discharge the institution's obligations to the authority but shall have no other jurisdiction over such rates, rents, fees, or charges.

~~(8)~~ **(4)** The authority may establish rules for the use of a project or any portion thereof and designate a private institution of higher education as the authority's agent to establish rules for the use of a project undertaken for that institution.

~~(9)~~ **(5)** The authority may employ consulting engineers, architects, attorneys, accountants, trustees, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in the authority's judgment, and fix their compensation.

~~(10)~~ **(6)** The authority may receive and accept from any source loans, contributions, or grants for or in aid of the construction or funding of a project or any portion thereof in either money, property, labor, or other things of value and, when required, use such funds, property, or labor only for the purposes for which the money, property, or labor was loaned, contributed, or granted.

~~(11)~~ **(7)** The authority may make loans to any private institution of higher education for the cost of a project, including the establishment of liability or other loss insurance reserves or the contribution of those reserves to a risk retention group for the purpose of providing insurance coverage against liability claims or other losses in accordance with an agreement between the authority and the private institution of higher education. No such loan may exceed the total cost of the project as determined by such institution and approved by the authority.

~~(12)~~ **(8)** The authority may make loans to a private institution of higher education to refund outstanding obligations or advances issued, made, or given by such institution for the cost of a project, including the establishment of liability or other loss insurance reserves or the contribution of those reserves to a risk retention group for the purpose of providing insurance coverage against liability claims or other losses. In addition, the authority may issue bonds and make loans to a private institution of higher education to refinance indebtedness incurred or to reimburse advances made for projects undertaken prior to the date of the bond issue whenever the authority finds that such financing is in the public interest and either:

(A) alleviates a financial hardship upon the private institution of higher education;

(B) results in a lesser cost of education; or

(C) enables the private institution of higher education to offer greater security for a loan or loans to finance a new project or projects or to effect savings in interest costs or more favorable amortization terms.

~~(13)~~ **(9)** The authority may charge to and apportion among private institutions of higher education the authority's administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter.

~~(14)~~ **(10)** The authority may, for financing purposes, combine a project or projects and some or all future projects of any private institution or institutions of higher education provided that:

(A) the authority obtains the consent of all of the private institutions of higher education which are involved, or when financing loans for the funding of liability or other loss insurance reserves or for the providing of those reserves or other capital to be contributed to a risk retention group, the authority obtains the consent of all of the eligible members that are involved; and

(B) the money set aside in any fund or funds pledged for any series of bonds or issue of bonds are held for the sole benefit of such series or issue separate and apart from the money pledged for any other series or issue of bonds of the authority.

To facilitate the combining of projects, bonds may be issued in

series under one (1) or more resolutions or trust agreements and be fully open end, thus providing for unlimited issuance of additional series, or partially open end, limited as to additional series, all in the discretion of the authority. Notwithstanding any provision of this chapter to the contrary, the authority may permit a private institution of higher education to substitute one (1) or more educational facilities of similar value (as determined by an independent appraiser satisfactory to the authority) as security for any educational facility financed under this chapter on such terms and conditions as the authority may prescribe.

~~(15)~~ **(11)** The authority may mortgage all or any portion of any project and any other educational facilities conveyed to the authority for such purpose and the site or sites thereof, whether presently owned or subsequently acquired, for the benefit of the holders of the bonds of the authority issued to finance such project or any portion thereof or issued to refund or refinance outstanding indebtedness of a private institution of higher education as permitted by this chapter.

~~(16)~~ **(12)** The authority may join in a risk retention group with corporations (as defined in IC 20-12-6-1) or any private institution of higher education.

~~(17)~~ **(13)** The authority may do all things necessary to carry out the purposes of this chapter."

Page 132, between lines 25 and 26, begin a new paragraph and insert:

"SECTION 200. IC 20-12-63-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 26. (a) Notwithstanding any other provision of this chapter to the contrary, the authority may:

(1) finance the cost of an educational facility or refund outstanding indebtedness of a private institution of higher education, as authorized under section ~~11(12)~~ **11(8)** of this chapter; or

(2) finance the establishment of liability or other loss insurance reserves or the contribution of such reserves or other capital to a risk retention group for the purpose of providing insurance coverage against liability claims or other losses;

by issuing its bonds for the purpose of loaning the proceeds to a private

1 institution of higher education for the cost of a project or to refund or  
2 refinance outstanding indebtedness or reimburse advances made in  
3 connection with a project in accordance with an agreement between the  
4 authority and the institution and in exchange for the institution's  
5 promissory note or notes. Any such promissory notes shall have the  
6 same principal amounts, maturities, and interest rates as the bonds so  
7 being issued, may be secured by a first mortgage lien on the educational  
8 facility so being financed or by a first mortgage lien or security interest  
9 in other real or personal property or funds acceptable to the authority  
10 subject to such exceptions as the authority may approve and created by  
11 a mortgage instrument or security agreement satisfactory to the  
12 authority, and may be insured or guaranteed by others. Any such bonds  
13 shall be payable solely out of the payments to be made on such  
14 promissory notes and under such agreement and shall not exceed in  
15 principal amount the cost of such educational facility, as determined by  
16 the private institution of higher education, or the necessary amount of  
17 these liability or other loss insurance reserves, and approved by the  
18 authority. In other respects any such bonds shall be subject to the  
19 provisions of section 15(c) of this chapter and the trust agreement or  
20 indenture creating such bonds may contain such of the provisions set  
21 forth in section 15(d) of this chapter as the authority may deem  
22 appropriate.

23 (b) In the event that an educational facility is financed and  
24 mortgaged pursuant to this section, the title to such facility shall remain  
25 in the private institution of higher education owning the same, subject  
26 to the lien of the mortgage securing the promissory notes then being  
27 purchased, and there shall be no lease of such facility between the  
28 authority and such institution.

29 (c) The provisions of section 14 of this chapter shall not apply to any  
30 educational facility or any liability or other loss insurance reserves  
31 financed pursuant to this section, but the authority shall return the  
32 promissory notes purchased through the issuance of bonds under this  
33 chapter to the private institution of higher education issuing such  
34 promissory notes when:

35 (1) such bonds have been fully paid and retired or adequate  
36 provision has been made to pay and retire the same fully;

37 (2) all other conditions of the trust agreement or indenture creating  
38 such bonds have been satisfied; and



- 1 (3) the lien thereof has been released in accordance with the  
 2 provisions thereof."
- 3 Page 143, line 28, delete "successor," and insert "**successor**  
 4 **agency**,".
- 5 Page 143, line 40, after "successor" insert "**agency**".
- 6 Page 144, line 20, delete "successor," and insert "**successor**  
 7 **agency**,".
- 8 Page 145, after line 37, begin a new paragraph and insert:  
 9 "SECTION 216. [EFFECTIVE JULY 1, 2005] **IC 6-3.1-9-1,**  
 10 **IC 6-3.1-9-2, and IC 6-3.1-9-4, all as amended by this act, apply to**  
 11 **applications for tax credits filed under IC 6-3.1-9 after June 30,**  
 12 **2005.**
- 13 SECTION 217. [EFFECTIVE JULY 1, 2005] **(a) Notwithstanding**  
 14 **the transfer of responsibility for administration of the individual**  
 15 **development accounts program to the lieutenant governor by**  
 16 **P.L.4-2005, SECTION 151, beginning July 1, 2005:**
- 17 (1) **the Indiana housing finance authority is responsible for the**  
 18 **administration of the program;**
- 19 (2) **any rules, policies, or guidelines adopted by the**  
 20 **department of commerce or the lieutenant governor**  
 21 **concerning the program are considered rules, policies, and**  
 22 **guidelines of the Indiana housing finance authority until the**  
 23 **authority adopts replacement rules, policies, or guidelines;**
- 24 (3) **the Indiana housing finance authority becomes the owner**  
 25 **of all property and obligations relating to the program; and**
- 26 (4) **any appropriations relating to the program are transferred**  
 27 **to the Indiana housing finance authority.**
- 28 **(b) This SECTION expires July 1, 2007."**
- 29 Renumber all SECTIONS consecutively.  
 (Reference is to SB 578 as reprinted March 1, 2005.)

**and when so amended that said bill do pass.**

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Representative Espich